

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 90-342-N
NATURAL GAS COMPANY, INC.)	

O R D E R

On May 23, 1991, in Case No. 90-342, the Commission approved certain adjusted rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On September 23, 1994, Delta filed its GCA to be effective from November 1, 1994 to February 1, 1995.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice proposed revised rates designed to pass on its expected decreased wholesale gas costs to its customers. Delta's proposed expected gas cost is \$3.1911 per Mcf, excluding take-or-pay billings.

Delta's notice set out a take-or-pay recovery component of .14 cent per Mcf. Delta should be prepared to support its take-or-pay actual adjustments at the time of its GCA field reviews.

2. Delta's notice set out a current quarter refund adjustment of 2.05 cents per Mcf to return \$88,664 in supplier refunds, including interest, to its customers. The total refund adjustment of 10.10 cents per Mcf reflects the current and previous quarter adjustments.

3. Delta's notice set out a current quarter actual adjustment of 2.11 cents per Mcf to recoup under-recovered gas cost from May, June, and July 1994. The proposed total actual adjustment of 52.71 cents per Mcf reflects the current under-collection as well as under- and over-collections from three previous quarters.

4. Delta's notice set out a balance adjustment of 4.82 cents per Mcf. This balance adjustment compensates for under-collections which occurred as a result of previous adjustments.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$3.6668 per Mcf, 46.26 cents per Mcf more than its previous GCR.

6. Delta's rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for final meter readings on and after November 1, 1994.

7. Delta requested confidentiality for Schedule VI, which contains business information required by the Commission pertaining to Delta's subsidiaries. Delta Resources, Inc. and Delgasco engage in unregulated, competitive activities. Competitors of these subsidiaries could use business information of these subsidiaries to place themselves in an advantageous position vis-a-vis the

subsidiaries and Delta. Thus, disclosure of the information is likely to cause Delta and these subsidiaries competitive injury and should be protected.

IT IS THEREFORE ORDERED that:

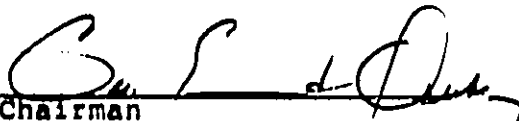
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after November 1, 1994.

2. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

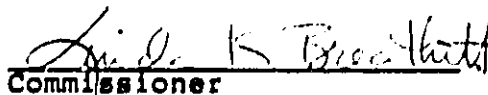
3. Schedule VI, which Delta has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 28th day of October, 1994.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-342-N DATED October 28, 1994

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	plus equals	<u>Total</u>
General Service				
Monthly Customer Charge				
Residential				\$5.95
Nonresidential				18.36
1 - 1,000 Mcf	\$2.4650	\$3.6668		6.1318 per Mcf
1,001 - 5,000 Mcf	2.0650	3.6668		5.7318 per Mcf
5,001 - 10,000 Mcf	1.6650	3.6668		5.3318 per Mcf
Over 10,000 Mcf	1.2650	3.6668		4.9318 per Mcf
Interruptible (2)				
Monthly Customer Charge				\$185.00
1 - 1,000 Mcf	\$1.7000	\$3.6668		5.3668 per Mcf
1,001 - 5,000 Mcf	1.3000	3.6668		4.9668 per Mcf
5,001 - 10,000 Mcf	.9000	3.6668		4.5668 per Mcf
Over 10,000 Mcf	.5000	3.6668		4.1668 per Mcf
Transportation of Gas for Others				
On-System Utilization				

To the applicable rates and charges in effect for on-system transportation customers shall be added a take-or-pay recovery component of \$.0014 per Mcf.